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Report Upon
Accounts of the
Department

San Francisco

June 30, 1932

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BOARD OF
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SAN FRANCISCO
RETIREMENT SYSTEM

Certified Report Upon Examination of Accounts of the Controller's Department

City and County of San Francisco

For the fiscal year ended June 30, 1932

INDEX TO CERTIFIED REPORT UPON EXAMINATION OF ACCOUNTS OF THE CONTROLLER'S DEPARTMENT

City and County of San Francisco
For the fiscal year ended June 30, 1932

	<i>Pages</i>
Certificate	3
 <i>Proprietary Accounts Schedules:</i>	
Proprietary Balance Sheet, June 30, 1932	4-7
Revenues, Expenditures, and Current Proprietary Surplus	8, 9
Capital Surplus	10, 11
Summary of Revenues and Expenditures	12, 13
Departmental Revenues, General City and County	14, 15
Expenses, General City and County	16-19
Revenues and Expenses, Public Service Enterprises	20, 21
Bonded Indebtedness	22, 23
Bonded Indebtedness, Public Service Enterprises	24, 25
Summary of Properties	26, 27
 <i>Funding Accounts Schedules:</i>	
Summary of Funding Balance Sheets	28, 29
Current Fund Balance Sheet	30-33
Capital Fund Balance Sheet	34, 35
Special and Trust Fund Balance Sheet	36, 37
Current Fund Appropriations	38, 39
Capital Fund Appropriations	40
Supplementary Report Upon Examination of Accounts of Controller's Department	41

LYBRAND, ROSS BROS. & MONTGOMERY

Accountants and Auditors

To the Honorable Board of Supervisors,
City and County of San Francisco,
San Francisco, California.

In accordance with Resolution No. 514 of your honorable Board, adopted November 21, 1932, we have examined the accounts of the Controller's department of the

CITY AND COUNTY OF SAN FRANCISCO

For the fiscal year ended June 30, 1932

The accounts of the public service enterprises were examined as at that date by other independent auditors, while those of the Treasurer's department were verified as of that date by the Controller's audit staff, in accordance with section 66 of the new Charter.

Our work in connection with these units was restricted to a review of the reports and supporting working papers and a reconciliation of the findings presented therein with the related accounts on the books of the Controller.

With respect to the accounts other than the foregoing, we have verified the assets and liabilities as at June 30, 1932, except that in the case of the property accounts we have accepted the recorded values at June 30, 1931, without verification.

Further, in accordance with the terms of our engagement, we made a general review and test check of the recorded revenues and expenditures and the allocation thereof to funds.

In addition, we reviewed the procedure in effect in various other divisions of the Controller's department, such as the payroll, tax redemption, inheritance tax, bail bonds, and social service divisions, and satisfied ourselves as to the adequacy of the internal check with respect to those functions.

On the foregoing basis, we certify that, in our opinion, the annexed schedules set forth the financial condition of the City and County of San Francisco as at June 30, 1932, and its revenues, expenditures, and surplus for the fiscal year then ended.

LYBRAND, ROSS BROS. & MONTGOMERY.

San Francisco, California, March 29, 1933.

PROPRIETARY BALANCE SHEET, JUNE 30, 1932

ASSETS

	Total	Current Accounts	Capital Accounts	Special and Trust Accounts
Cash:				
On deposit with Treasurer.....	\$ 23,937,115.12	\$ 12,032,282.58	\$ 10,220,402.31	\$ 1,684,430.23
Other cash	341,407.63	135,603.98	205,803.65	.....
	<u>\$ 24,278,522.75</u>	<u>\$ 12,167,886.56</u>	<u>\$ 10,426,205.96</u>	<u>\$ 1,684,430.23</u>
Accounts receivable:				
Taxes and assessments, less allowance of \$100,000.00 for delin-				
quent taxes	\$ 1,500,154.53	\$ 1,253,315.84	.....	\$ 246,838.69
Revenues accrued	1,158,720.96	1,010,148.84	.....	148,572.12
Other accounts receivable	740,270.29	735,314.79	4,955.50	.....
	<u>\$ 3,399,145.78</u>	<u>\$ 2,998,779.47</u>	<u>\$ 4,955.50</u>	<u>\$ 395,410.81</u>
Investment bonds	<u>\$ 11,459,768.04</u>	<u>.....</u>	<u>.....</u>	<u>\$ 11,459,768.04</u>
Properties, details annexed:				
Public service enterprises:				
Hetch Hetchy construction	\$ 64,666,894.11	.....	\$ 64,666,894.11	.....
Hetch Hetchy power	25,831,793.58	.....	25,831,793.58	.....
Water Department	46,236,168.13	49,093.90	46,187,074.23	.....
Municipal Railway	9,891,355.90	.....	9,891,355.90	.....
Auditorium	2,252,915.48	.....	2,252,915.48	.....
Airport	688,692.00	.....	688,692.00	.....
	<u>\$148,567,819.20</u>	<u>\$ 49,093.90</u>	<u>\$148,518,725.30</u>	<u>.....</u>
General City and County	180,218,202.49	246,436.02	179,585,352.06	\$ 386,414.41
	<u>\$328,786,021.69</u>	<u>\$ 295,529.92</u>	<u>\$328,104,077.36</u>	<u>\$ 386,414.41</u>

PROPRIETARY BALANCE SHEET, JUNE 30, 1932 (Continued)

Deferred charges:

	Total	Current Accounts	Capital Accounts	Special and Trust Accounts
Materials and supplies.....	\$ 678,642.67	\$ 678,642.67	.....	.....
Police Relief and Pension Fund contributions.....	665,937.63	665,937.63	.....	.....
Tax judgments	371,971.26	371,971.26	.....	.....
Voting machines	398,392.44	398,392.44	.....	.....
Other	677,748.74	388,148.64	\$ 289,600.10	.....
	<u>\$ 2,792,692.74</u>	<u>\$ 2,503,092.64</u>	<u>\$ 289,600.10</u>	<u>.....</u>

Interfund accounts	\$ 1,417,615.14	\$ 1,702,260.32	\$ 670,130.84
	<u>\$370,716,151.00</u>	<u>\$19,382,903.73</u>	<u>\$ 14,596,154.33</u>

PROPRIETARY BALANCE SHEET, JUNE 30, 1932 (Continued)

LIABILITIES

	Total	Current Accounts	Capital Accounts	Special and Trust Accounts
Accounts payable:				
Warrants outstanding	\$ 2,801,028.98	\$ 2,034,110.24	\$ 609,180.79	\$ 157,737.95
Accrued bond interest	3,361,006.59	3,361,006.59		
Other	1,296,318.85	247,230.79	1,049,088.06	
	<u>\$ 7,458,354.42</u>	<u>\$ 5,642,347.62</u>	<u>\$ 1,658,268.85</u>	<u>\$ 157,737.95</u>
Bonded indebtedness, details annexed:				
General City and County	\$ 49,198,300.00	\$ 1,082,100.00	\$ 48,116,200.00	
Public service enterprises	112,707,900.00	2,102,900.00	110,605,000.00	
	<u>\$161,906,200.00</u>	<u>\$ 3,185,000.00</u>	<u>\$158,721,200.00</u>	
Liability for special and trust funds:				
Public trusts:				
Employees' retirement fund	\$ 12,189,202.89			\$ 12,189,202.89
Other	860,666.41			860,666.41
Private trusts	245,819.08			245,819.08
Assessment and redemption funds	313,830.07			313,830.07
Other	828,897.93			828,897.93
	<u>\$ 14,438,416.38</u>			<u>\$ 14,438,416.38</u>
Other liabilities:				
Voting machines purchase contract	\$ 398,392.44	\$ 398,392.44		
Judgments for taxes illegally assessed	371,971.26	371,971.26		
	<u>\$ 770,363.70</u>	<u>\$ 770,363.70</u>		

PROPRIETARY BALANCE SHEET, JUNE 30, 1932 (Continued)

	<i>Total</i>	<i>Current Accounts</i>	<i>Capital Accounts</i>	<i>Special and Trust Accounts</i>
Reserves:				
Depreciation and amortization, public service enterprises....	\$ 6,051,970.74		\$ 6,051,970.74	
Work in progress	295,529.92	\$ 295,529.92		
Other	121,555.94	121,555.94		
	<u>\$ 6,469,056.60</u>	<u>\$ 417,085.86</u>	<u>\$ 6,051,970.74</u>	
Deferred credits:				
Taxes collected for 1932-33.....	\$ 1,764,079.87	\$ 1,764,079.87		
Other	81,435.17	81,435.17	5.00	
	<u>\$ 1,845,515.04</u>	<u>\$ 1,845,510.04</u>	<u>\$ 5.00</u>	
Interfund accounts				
		\$ 3,598,639.76	\$ 191,366.54	
Surplus, details annexed	<u>\$177,828,244.86</u>	<u>\$ 3,923,956.75</u>	<u>\$173,904,288.11</u>	
	<u>\$370,716,151.00</u>	<u>\$ 19,382,903.73</u>	<u>\$340,527,099.24</u>	<u>\$ 14,596,154.33</u>

REVENUES, EXPENDITURES, AND CURRENT PROPRIETARY SURPLUS

For the fiscal year ended June 30, 1932

Current proprietary surplus, June 30, 1931, as per annual report of the Auditor	\$498,635.28
Add:	
Revenues, details annexed	\$54,785,810.98
Unamortized bond premiums as at June 30, 1931, which under the procedure heretofore in effect would have been amortized over the life of the bonds, now written off to surplus	2,354,522.22
Reserve for additions and betterments on the Controller's books, carried as surplus on the books of the Water Department and so treated in this report	1,604,760.00
Accrued revenues not recorded at June 30, 1931:	
State subventions	\$438,916.17
Penalties and interest on delinquent taxes	645,681.00
Reserve for insurance comparison as at June 30, 1931, on the Controller's books, carried as surplus on the books of the Municipal Railway and so treated in this report	93,017.77
Correction of bond redemption reserve	445,833.32
Contribution for 1930-31 by Hetch Hetchy water to 1928 Bond Interest Fund received in 1931-32	250,000.00
Power account receivable from Hetch Hetchy construction, not recorded	417,041.20
Prior year revenues, etc.	99,666.46
Correction of entries transferring Water Department acquisition expense from current to capital ledger	112,365.89
	60,808,698.84
	<u>\$61,307,334.12</u>

REVENUES, EXPENDITURES, AND CURRENT PROPRIETARY SURPLUS (Continued)

Deduct:

Expenditures, details annexed	\$55,803,461.57
Assumption of deficit in Police and Firemen's Relief and Pension Fund	278,248.11
Water Department acquisition expense written off ..	917,186.40
Reserve for delinquent taxes	100,000.00
Deferred charges transferred to capital ledger:	
Railroad Commission valuation	220,883.88
Properties abandoned	55,779.90
Preliminary construction charges	7,817.51
Current proprietary surplus, June 30, 1932	57,383,377.37
	\$3,923,956.75

Composition of balance:

Appropriated surplus	\$2,677,677.96
Unappropriated surplus:	
Unappropriated balances of funds	\$1,163,123.26
Unappropriated proprietary resources	83,155.53
	1,246,278.79
	\$3,923,956.75

CAPITAL SURPLUS

For the fiscal year ended June 30, 1932

Balance, June 30, 1931, as per annual report of the auditor		\$157,885,721.91
Add:		
Bond maturities transferred to current ledger:		
As at June 30, 1931	\$2,963,000.00	
For the current year	4,426,100.00	
	\$7,389,100.00	
Capital additions through revenue	4,635,381.85	
Original amortization contribution, Water Department, heretofore shown as a reserve	4,152,652.24	
Capitalized in Hetch Hetchy construction:		
Bond interest	\$2,118,204.16	
Bond discount and expense	897,428.06	
	\$3,015,632.22	
Less, credits for:		
Bond premium	\$1,452,044.62	
Interest earned	397,240.14	
Aqueduct and pipeline rental	300,000.00	2,149,284.76
Net amount capitalized	\$866,347.46	
Deferred charges transferred from current ledger....	284,481.29	
Interest earned, etc.	52,396.00	
		17,380,358.84
		\$175,266,080.75

CAPITAL SURPLUS (Continued)

Deduct:		
Depreciation:		
Municipal Railway	285,893.02	
Hetch Hetchy power	175,000.00	
Water Department	60,000.00	
Liability of Hetch Hetchy construction to Hetch	\$520,893.02	
Hetchy power, unrecorded	417,041.20	
Correction of entries transferring Water Department		
acquisition expense from current to capital ledger	112,365.89	
Construction materials transferred from 1910 Hetch		
Hetchy to 1925-28 Hetch Hetchy, not recorded on		
books of former	61,492.53	
Contribution for 1930-31 by Hetch Hetchy Water to		
1928 Bond Interest Fund received in 1931-32.....	250,000.00	
Balance, June 30, 1932		1,361,792.64
		<u>\$173,904,288.11</u>

SUMMARY OF REVENUES AND EXPENDITURES

For the fiscal year ended June 30, 1932

REVENUES

Property taxes:		
Real and personal property.....	\$32,661,824.94	
Costs, penalties and interest.....	184,589.10	
State refunds	109,075.16	\$32,955,489.20
Other taxes:		
Business and vehicle licenses.....	\$857,970.18	
Building permits, etc.	56,839.00	
Franchise taxes	321,912.32	1,236,721.50
Total taxes and licenses		\$34,192,210.70
State subventions:		
Common schools	\$1,408,569.27	
High schools	537,031.72	
Good roads	1,062,119.17	
Other	583,073.05	3,590,793.21
Interest earned on bank deposits.....		236,558.86
Rents, general city property		11,378.11
Court fines		111,930.52
Departmental revenues, details annexed.....		1,251,999.37
Public service enterprises*		15,390,940.21
		<u>\$54,785,810.98</u>

SUMMARY OF REVENUES AND EXPENDITURES (Continued)

EXPENDITURES

	<i>General City and County</i>	<i>Public Service Enterprises</i>	<i>Total</i>
Operating expenses, details annexed	\$33,068,175.75	\$12,271,566.47*	\$45,339,742.22
Bond maturities, including those of July 1, 1932	1,975,100.00	2,451,000.00	4,426,100.00
Additions to property from revenues.....	2,643,521.51	1,275,893.68	3,919,415.19
Interest on Hetch Hetchy construction bonds		2,118,204.16	2,118,204.16
	\$37,686,797.26	\$18,116,664.31	\$55,803,461.57

*A summary of revenues and expenses of public service enterprises is shown on page 20.

DEPARTMENTAL REVENUES, GENERAL CITY AND COUNTY

For the fiscal year ended June 30, 1932.

General government:

Municipal courts	\$105,659.75
County Clerk	95,113.10
Sheriff	53,010.54
Coroner	1,433.64
Registrar	2,438.00
City Engineer	11,311.13
Treasurer	11,337.64
Supervisors	8,025.10
Department of Public Works	30,547.39
Other	368.12
	\$319,244.41

Protection to life and property:

Recorder	\$112,104.90
Department of Electricity	58,070.96
Public Administrator	4,656.22
Public Pound	3,615.00
Fire Department	2,779.82
Police Department	615.08
	181,841.98

Recreation:

Golf links	\$171,433.24
Children's quarters	58,818.33
Fleishhacker pool	87,283.34
Beach chalet	15,068.60
Recreation Commission	29,631.91
Other	52,431.58
	414,667.00

Charities, hospitals and corrections:

Juvenile Detention Home	\$47,692.85
Board of U. S. Prisoners, Sheriff	21,712.40
San Francisco Hospital	5,998.14
Relief Home	7,119.50
	82,522.89

DEPARTMENTAL REVENUES, GENERAL CITY AND COUNTY
(Continued)

Education:	
Schools	\$110,458.91
Library	24,040.68
Other:	
Central office, Board of Health.....	\$96,837.03
Highways, Department of Public Works.....	15,609.83
General and miscellaneous	6,776.64
	119,223.50
	\$1,251,999.37

EXPENSES, GENERAL CITY AND COUNTY

For the fiscal year ended June 30, 1932.

DEPARTMENTAL EXPENSES

General Government:

Supervisors	\$81,345.75
Clerk of Supervisors	72,042.10
Mayor	42,940.34
Controller	128,781.90
Treasurer	51,388.77
Assessor	295,838.78
Tax Collector	148,562.93
Other financial	36,803.54
City Attorney	75,932.43
District Attorney	107,784.59
Public Defender	27,700.81
Other general executive:	

Department of Public Works

City Engineer	151,117.98
Bureau of Architecture	201,912.72
Civil Service Commission	14,038.28
City Planning Commission	51,670.17
Miscellaneous	13,323.81
Central Permit Bureau and Permit Appeals	10,063.81
Finance Committee	4,899.88
Chief Administrator	2,489.71
Director of Finance and Records	6,117.22
	2,500.00

Judiciary:

Municipal courts	228,837.94
Superior courts	233,676.65
County Clerk	172,374.88
Law Library	14,544.06
Grand Jury	35,914.16
Coroner	51,850.79
Sheriff	138,806.03
Elections	335,493.11
Care and maintenance of buildings	334,922.40

EXPENSES, GENERAL CITY AND COUNTY (Continued)

Telephone exchange	\$ 7,740.00	
Rent of leased buildings	13,449.00	
Real Estate Department	5,663.52	\$3,100,528.06
Protection of life and property:		
Police Department	\$3,549,454.85	
Fire Department	3,286,317.27	
Recorder	109,363.44	
Inspection service	218,450.86	
Department of Electricity	181,973.16	
Public Pound	18,000.00	
Public Administrator	23,196.59	7,386,756.17
Recreation:		
Parks:		
General administration	\$34,205.68	
Golden Gate Park	495,417.97	
Other parks and squares, operation and maintenance	129,699.16	
Museums, art gallery, etc.	190,943.06	
General recreation	280,234.79	
	\$1,130,500.66	
Playgrounds	\$401,694.44	
Music, entertainments and celebrations	53,054.12	
	\$454,748.56	1,585,249.22

EXPENSES, GENERAL CITY AND COUNTY (Continued)

Charities, hospitals and corrections:

General administration	\$9,210.65
Outdoor poor relief	56,611.54
Poor in institutions (Relief Home)	467,347.45
Care of children	897,639.51
Hospitals	1,250,240.62
Insane in hospitals	180,816.08
Relief of needy, aged and blind	396,066.63
Institutions for adults (county jails)	217,936.93
Institutions for minors (Juv. Det. Home)	27,777.07
Adult Probation Board	41,897.15
Juvenile Court	57,388.47
Miscellaneous	3,556.75
Relief of unemployed	649,099.47
	\$4,255,588.32

Education:

Schools:

General administration	\$256,321.46
Instruction	7,351,460.08
Operation and maintenance	1,114,291.03
Other	631,746.14
	\$9,352,818.71

Libraries:

Administration	\$14,700.00
Operation	282,857.72
Maintenance	7,739.99
	\$305,297.71

9,659,116.42

EXPENSES, GENERAL CITY AND COUNTY

(Continued)

Conservation of Health:	
General administration	\$57,492.19
Statistics	14,355.96
Prevention and treatment of communicable diseases ..	194,680.61
Conservation of child life	204,049.40
Food regulation and inspection	53,942.99
	\$524,521.15
Sanitation:	
Sewers and sewage disposal	\$271,525.01
Street cleaning	522,222.62
Removal of dead animals	5,500.00
Inspection service	11,663.60
	810,911.23
Highways:	
General administration	\$33,018.32
Care and maintenance of highways and highway structures	586,943.36
Other care of streets, roads and alleys	191.05
Street lighting	723,939.03
	1,344,091.76
Total departmental expenses	\$28,666,762.33
GENERAL AND MISCELLANEOUS EXPENSES	
Bond interest	\$2,322,499.29
Pensions and gratuities	1,349,091.09
Judgments and losses	268,413.58
Publicity and advertising	230,270.80
Bureau of supplies	92,765.16
Administration of public trusts	26,826.12
Other expenses	111,547.38
	4,401,413.42
Total expenses, general City and County	\$33,068,175.75

REVENUES AND EXPENSES, PUBLIC SERVICE ENTERPRISES

For the fiscal year ended June 30, 1932

	Total	Water Department	Hetch Hetchy Power	Municipal Railway	Auditorium	Airport	Public Utilities Commission
Revenues	\$15,417,705.69	\$6,645,956.74	\$5,481,854.48	\$3,208,342.14	\$68,588.55	\$12,963.78	.....
Expenses	13,815,542.71	4,740,291.40	5,163,638.37	3,755,157.62	95,471.14	53,843.27	\$7,140.91
Net revenues or <i>expenses</i> before audit eliminations	\$1,602,162.98	\$1,905,665.34	\$318,216.11	\$546,815.48	\$26,882.59	\$40,879.49	\$7,140.91
Audit eliminations:							
Depreciation	\$520,893.02	\$ 60,000.00	\$175,000.00	\$285,893.02	.....	.....	.....
Comparison charges	619,397.45	269,505.99	63,699.24	286,192.22	.....	.....	.....
Aqueduct and pipeline rental	300,000.00	300,000.00	.....	.....	.....	.....	.....
Bond discount and expense	103,685.77	45,859.32	57,826.45	.....	.....	.....	.....
	\$1,543,976.24	\$675,365.31	\$296,525.69	\$572,085.24	.....	.....	.....
Less, interdepartmental interest earned	26,765.48	.....	26,765.48	.....	.....	.....	.....
	\$1,517,210.76	\$675,365.31	\$269,760.21	\$572,085.24	.....	.....	.....
Net revenues or <i>expenses</i> as adjusted	\$3,119,373.74	\$2,581,030.65	\$587,976.32	\$ 25,269.76	\$26,882.59	\$40,879.49	\$7,140.91

REVENUES AND EXPENSES, PUBLIC SERVICE ENTERPRISES (Continued)

	<i>Revenues</i>	<i>Expenses</i>
Reconciliation of revenues and expenses:		
As above stated	\$15,417,705.69	\$13,815,542.71
Less, eliminations	26,765.48	1,543,976.24

Revenues and expenses as per preceding summary
on page 6

\$15,390,940.21 \$12,271,566.47

Note: Bond maturities provided from current revenues were as follows:

Water Department	\$1,000,000.00
Hetch Hetchy construction	1,250,000.00
Municipal Railway	201,000.00

\$2,451,000.00

BONDED INDEBTEDNESS

For the fiscal year ended June 30, 1932

GENERAL CITY AND COUNTY

Issue of June 30, 1904, 3½ per cent:

	Authorized	Annual Redemption	Serial Maturity	Outstanding June 30, 1931	Sold	Redeemed	Outstanding June 30, 1932
Golden Gate Park and Presidio Extension	\$ 330,000	\$ 8,200	1905-44	\$ 114,800	.....	\$ 8,200	\$ 106,600
Library	1,647,000	41,100	1905-44	519,400	56,000	41,100	534,300
Mission Park	293,000	7,300	1905-44	102,200	.....	7,300	94,900
Playgrounds	741,000	18,500	1905-44	259,000	.....	18,500	240,500

Issue of July 1, 1908, 5 per cent:

	Authorized	Annual Redemption	Serial Maturity	Outstanding June 30, 1931	Sold	Redeemed	Outstanding June 30, 1932
Fire protection	5,200,000	130,000	1916-55	3,250,000	.....	130,000	3,120,000
Hall of Justice	1,000,000	50,000	1912-31	50,000	.....	50,000	.....
Hospital	2,000,000	100,000	1913-32	200,000	.....	100,000	100,000
School	5,000,000	200,000	1914-38	1,600,000	.....	200,000	1,400,000
Sewer	4,000,000	100,000	1915-54	2,400,000	.....	100,000	2,300,000

Miscellaneous, 4½ per cent:

	Authorized	Annual Redemption	Serial Maturity	Outstanding June 30, 1931	Sold	Redeemed	Outstanding June 30, 1932
Polytechnic High School	600,000	25,000	1914-37	150,000	.....	25,000	125,000
Hospital, jail	1,700,000	100,000	1916-32	100,000	.....	100,000	.....
School	3,500,000	175,000	1923-42	1,925,000	.....	174,000	1,751,000
Memorial Halls	4,000,000	200,000	1932-51	4,000,000	.....	.....	4,000,000
Bernal Cut	1,400,000	70,000	1932-51	1,400,000	.....	.....	1,400,000
Boulevard	9,380,000	469,000	1932-51	8,036,000	640,000	.....	8,676,000
Sewer	2,200,000	100,000	1934-55	1,520,000	84,000	.....	1,604,000
Hospital	3,500,000	175,000	1934-53	1,725,000	655,000	.....	2,380,000
County Jail	850,000	50,000	1936-50	.....	60,000	.....	60,000
Playgrounds	200,000	8,000	1936-60	200,000	.....	.....	200,000
Boulevards and roads	900,000	36,000	1936-60	900,000	.....	.....	900,000
Public parks and squares	1,400,000	56,000	1936-60	1,000,000	.....	.....	1,000,000

BONDED INDEBTEDNESS (Continued)

	<i>Authorized</i>	<i>Annual Redemption</i>	<i>Serial Maturity</i>	<i>Outstanding June 30, 1931</i>	<i>Sold</i>	<i>Redeemed</i>	<i>Outstanding June 30, 1932</i>
Miscellaneous, 5 per cent:							
Exposition	May 1, 1912	200,000	1915-39	1,601,000	.....	195,000	1,406,000
City Hall and Civic Center	July 1, 1912	200,000	1917-60	6,000,000	.....	200,000	5,800,000
School	Mar. 1, 1923	300,000	1928-67	10,800,000	.....	300,000	10,500,000
Relief Home	Mar. 1, 1923	100,000	1928-47	1,600,000	.....	100,000	1,500,000
Special and trust funds:							
Sunset Tunnel, 7 per cent				128,000	.....	128,000	.....
Total general City and County bonded indebtedness				\$ 49,580,400	\$ 1,495,000	\$ 1,877,100	\$ 49,198,300
PUBLIC SERVICE ENTERPRISES							
Details on schedule annexed				106,109,900	9,053,000	2,455,000	112,707,900
				<u>\$155,690,300</u>	<u>\$ 10,548,000</u>	<u>\$ 4,332,100</u>	<u>\$161,906,200</u>

Note: Bonded indebtedness subject to the Charter limit of 12 per cent amounts to \$50,197,200, as per details shown in supplementary report.

BONDED INDEBTEDNESS, PUBLIC SERVICE ENTERPRISES

For the fiscal year ended June 30, 1932

Hetch Hetchy Water and Power Project:

	<i>Authorized</i>	<i>Annual Redemption</i>	<i>Serial Maturity</i>	<i>Outstanding June 30, 1931</i>	<i>Sold</i>	<i>Redeemed</i>	<i>Outstanding June 30, 1932</i>
July 1, 1910, 4½ per cent.....	\$45,000,000	\$1,000,000	1920-64	\$ 34,000,000	.....	\$ 1,000,000	\$ 33,000,000
January 1, 1925, 5 per cent.....	10,000,000	250,000	1930-69	9,500,000	.....	250,000	9,250,000
July 1, 1928, 4½ per cent.....	24,000,000	600,000	1938-77	20,000,000	\$ 3,576,000	.....	23,576,000
June 1, 1932, 5 per cent.....	6,500,000	169,000	1964-71	.....	1,152,000	.....	1,152,000
June 1, 1932, 5¾ per cent.....		169,000	1939-64	.....	4,325,000	.....	4,325,000
June 1, 1932, unsold		31,000	1939-71	.....	.....	.....	.....
				<u>\$ 63,500,000</u>	<u>\$ 9,053,000</u>	<u>\$ 1,250,000</u>	<u>\$ 71,303,000</u>

BONDED INDEBTEDNESS, PUBLIC SERVICE ENTERPRISES (Continued)

Water Department:

Spring Valley Water, July 1, 1928, 4½

per cent	\$41,000,000	1930-70	\$ 40,000,000	Sold	Redeemed	Outstanding June 30, 1932
					\$ 1,000,000	\$ 39,000,000

Municipal Railway:

Geary Street Railway, July 1, 1910...	\$ 1,900,000	1915-34	\$ 382,000		\$ 96,000	\$ 286,000
Market Street Railway, July 1, 1910..	120,000	1915-34	23,000		5,000	18,000
Municipal Railway, December 1, 1913	3,500,000	1918-52	2,204,900		104,000	2,100,900
			\$ 2,609,900		\$ 205,000	\$ 2,404,900
			\$106,109,900	\$ 9,053,000	\$ 2,455,000	\$112,707,900

SUMMARY OF PROPERTIES

For the fiscal year ended June 30, 1932

	<i>Balances June 30, 1931</i>	<i>Net Additions</i>	<i>Balances June 30, 1932</i>
General City and County:			
City Hall	\$7,409,077.43	\$124,359.27	\$7,533,436.70
Civic Center, other improvements	2,162,229.83	2,354.32	2,164,584.15
Hall of Justice	1,275,708.02	1,713.16	1,277,421.18
Fire Department	9,793,530.74	59,463.20	9,852,993.94
Police Department	1,800,315.26	44,159.24	1,844,474.50
Corporation Yard	19,260.00	.....	19,260.00
Department of Electricity	788,242.44	24,025.99	812,268.43
Health Farm	378,326.61	907.00	379,233.61
Sanitation	17,979,196.32	352,150.00	18,331,346.32
Boulevards and streets	51,463,606.42	1,505,345.17	52,968,951.59
Charities and corrections	8,720,633.83	1,391,285.61	10,111,919.44
Schools	38,321,443.72	1,038,697.07	39,360,140.79
Library	3,174,074.58	163,732.84	3,337,807.42
Parks and Squares	21,087,681.25	13,832.10	21,101,513.35
Aquatic Park	645,532.39	110,717.38	756,249.77
Kezar Stadium	779,294.61	.....	779,294.61
Playgrounds	3,399,875.48	134,147.20	3,534,022.68
Municipal Golf Courses	351,857.93	12,496.25	364,354.18
War Memorial group	609,299.54	2,629,309.96	3,238,609.50
Board of Public Works, miscellaneous	257,324.79	108.51	257,433.30
Central Warehouse	94,817.66	5,517.31	100,334.97
De Young Museum	480,366.87	12,032.49	492,399.36
Swimming Pool and Bath House	412,977.10	.....	412,977.10
Palace of Fine Arts	283,638.28	88,506.37	372,144.65
Yacht Harbor	200,748.21	26,805.13	227,553.34
Miscellaneous	299,693.39	287,784.22	587,477.61
Total, general City and County	<u>\$172,188,752.70</u>	<u>\$8,029,449.79</u>	<u>\$180,218,202.49</u>

SUMMARY OF PROPERTIES

(Continued)

	<i>Balances June 30, 1931</i>	<i>Net Additions</i>	<i>Balances June 30, 1932</i>
Public service enterprises:			
Hetch Hetchy water construction	53,263,873.64	11,403,020.47	64,666,894.11
Municipal Railway	9,854,726.40	36,629.50	9,891,355.90
Hetch Hetchy power	25,750,404.63	81,388.95	25,831,793.58
Water Department	44,221,803.19	1,014,364.94	45,236,168.13
Exposition Auditorium	2,252,915.48	.....	2,252,915.48
Municipal Airport	560,063.48	128,628.52	688,692.00
Total public service enterprises	<u>\$135,903,786.82</u>	<u>\$12,664,032.38</u>	<u>\$148,567,819.20</u>
Grand total	<u>\$308,092,539.52</u>	<u>\$20,693,482.17</u>	<u>\$328,786,021.69</u>

SUMMARY OF FUNDING BALANCE SHEETS

June 30, 1932

RESOURCES

	Total	Current Accounts	Capital Accounts	Special and Trust Accounts
Cash on deposit with Treasurer	\$23,337,115.12	\$12,032,282.58	\$10,220,402.31	\$1,684,430.23
Less, warrants outstanding	2,801,028.98	2,034,110.24	609,180.79	157,737.95
Balance available	21,136,086.14	9,998,172.34	9,611,221.52	1,526,692.28
Imprest funds and cash in transit	275,603.98	135,603.98	140,000.00	.....
Investment securities	11,459,768.04	.....	.....	11,459,768.04
Taxes and assessments receivable, less allowance of \$100,000.00 for delinquent taxes	1,500,154.53	1,253,315.84	.....	246,838.69
Revenues accrued	1,226,220.96	1,077,648.84	.....	148,572.12
Accounts receivable	735,314.79	735,314.79	.....	.....
Bonds authorized, not yet sold, par value	5,057,000.00	.....	5,057,000.00	.....
Interfund items:				
Accounts, net .....	.....	1,426,335.31	1,422,142.10	4,193.21
Unallocated charges	178,801.65	178,801.65	.....	.....
	<u>\$41,568,950.09</u>	<u>\$11,952,522.13</u>	<u>\$16,230,363.62</u>	<u>\$13,386,064.34</u>

SUMMARY OF FUNDING BALANCE SHEETS

(Continued)

ALLOCATION

Encumbrances:

Contracts, purchase orders, and work orders
 Bond interest and redemption

<i>Total</i>	<i>Current Accounts</i>	<i>Capital Accounts</i>	<i>Special and Trust Accounts</i>
\$4,609,218.34	\$1,049,129.94	\$3,535,473.26	\$24,615.14
6,169,371.00	6,169,371.00	.....	.....
<u>\$10,778,589.34</u>	<u>\$7,218,500.94</u>	<u>\$3,535,473.26</u>	<u>\$24,615.14</u>

Reserves:

Taxes collected in advance
 Imprest funds and cash in transit

<i>Total</i>	<i>Current Accounts</i>	<i>Capital Accounts</i>	<i>Special and Trust Accounts</i>
1,764,079.87	1,764,079.87	.....	.....
135,603.98	135,603.98	.....	.....
<u>\$12,678,273.19</u>	<u>\$9,118,184.79</u>	<u>\$3,535,473.26</u>	<u>\$24,615.14</u>

Total encumbrances and reserves
 Unencumbered balances of appropriations
 Unappropriated balances of funds

<i>Total</i>	<i>Current Accounts</i>	<i>Capital Accounts</i>	<i>Special and Trust Accounts</i>
4,621,641.16	1,671,214.08	2,950,427.08	.....
24,269,035.74	1,163,123.26	9,744,463.28	13,361,449.20
<u>\$41,568,950.09</u>	<u>\$11,952,522.13</u>	<u>\$16,230,363.62</u>	<u>\$13,386,064.34</u>

CURRENT FUND BALANCE SHEET, JUNE 30, 1932

RESOURCES

	Cash With Treasurer Net of Warrants	Other Cash	Taxes and Assessments	Revenues Accrued and Accounts Receivable	Interfund Charges	Interfund Accounts, Net	Totals
General City and County:							
General Fund, 1931-32	\$ 13,345.53	\$ 12,000.00	\$ 330,155.46	\$ 651,196.75	\$ 171,556.23	\$ 664,717.09	\$ 513,536.88
General Fund, 1930-31			345,266.31	22,500.00		315,740.23	22,626.08
Bond Interest and Redemption	6,283,390.06		225,240.97			75,704.36	6,432,926.67
Common School	306,888.36	250.00	272,456.82			90,497.46	489,097.72
Special School Tax	296,565.01		47,762.34			23,493.69	320,833.66
Park	79,450.11		31,865.56			12,458.72	102,106.95
Library	50,990.34	3,250.00	13,857.36			4,869.00	59,978.70
Recreation	41,716.51	6,000.00	19,391.10			6,158.94	60,948.67
De Young Museum	19,019.39	1,000.00	3,232.83			983.27	22,258.95
California Palace of Legion of Honor	30,535.97	1,000.00	3,222.83			983.27	33,775.53
County Roads	149,602.29			438,916.17		89,969.43	498,549.03
Installation Department of Electricity	2,232.57						2,232.57
Firemen's Relief and Pension	175,011.84		8,898.13			6,274.17	172,387.88
Police Relief and Pension	103,235.58						103,235.58
Employees' Retirement			35,829.15			9,220.28	26,608.87
Publicity and Advertising	1,057.38		8,072.65			757.37	9,887.40
Blind Pensions	24,402.19						
Needy Aged	3,921.95					24,402.19	
Tax Judgments	2,521.05					3,921.95	
Golden Gate Bridge & Highway District			9,385.87			3,586.12	10,450.94
Special Elections	50,000.00		2,906.12			2,642.38	263.74
Assessor, Personal Property Taxes	1,762,133.45						50,000.00
Tax Collector, Special	1,946.42						1,762,133.45
Redemption of Property	95,285.64		95,285.64				1,946.42
Undistributed Bank Interest	65,172.54						
Delinquent Revenue	8,932.02		8,932.02			65,172.54	
	\$ 8,997,975.36	\$ 23,500.00	\$ 1,253,315.84	\$ 1,112,612.92	\$ 171,556.23	\$ 1,414,421.58	\$ 10,144,538.77

CURRENT FUND BALANCE SHEET, JUNE 30, 1932

(Continued)

RESOURCES (Continued)

	<i>Cash With Treasurer Net of Warrants</i>	<i>Other Cash</i>	<i>Taxes and Assessments</i>	<i>Revenues Accrued and Accounts Receivable</i>	<i>Interfund Charges</i>	<i>Interfund Accounts, Net</i>	<i>Totals</i>
Public service enterprises:							
Municipal Railway	\$ 428,708.64	\$ 4,000.00	.....	\$ 9,086.29	.....	\$ 2,545.27	\$444,340.20
Water Revenue	95,455.80	66,027.89	.....	501,157.31	.....	.....	662,641.00
Water Extension Reserve	199,037.36	.....	.....	.....	.....	.....	199,037.36
Water Depreciation Reserve	140,000.00	.....	.....	.....	.....	.....	140,000.00
Hetch Hetchy Power Operative	37,871.92	41,876.09	.....	190,107.11	.....	14,584.00	255,271.12
Hetch Hetchy Power Depreciation	254,965.76	.....	.....	.....	.....	14,584.00	269,549.76
Auditorium	160,744.92	.....	.....	.....	.....	7,551.95	168,296.87
Airport	6,907.05	200.00	.....	.....	.....	6,907.05	200.00
Public Utilities Commission	2,004.63	.....	.....	.....	\$ 7,245.42	.....	5,240.79
	\$1,000,196.98	\$112,103.98	.....	\$ 700,350.71	\$ 7,245.42	\$ 11,913.73	\$ 1,807,983.36
	\$9,998,172.34	\$135,603.98	\$1,253,315.84	\$1,812,963.63	\$178,801.65	\$1,136,335.31	\$11,952,522.13

Current Fund Balance Sheet, June 30, 1932, continued on next page

CURRENT FUND BALANCE SHEET, JUNE 30, 1932 (Continued from previous page)

ALLOCATION

General City and County:	Encumbrances and Reserves	Unencumbered Balances of Appropriations	Unappropriated Balances of Funds
General Fund, 1931-2	\$446,177.24	\$ 45,603.29	\$ 21,756.35
General Fund, 1930-1	22,626.08	.....	.....
Bond Interest and Redemption	6,169,371.00	145,394.07	118,161.60
Common School	83,899.79	111,878.89	293,319.04
Special School Tax	128,003.82	138,677.18	54,152.66
Park	78,724.32	.....	23,382.63
Library	28,098.75	18,826.48	13,053.47
Recreation	33,264.39	7,876.51	19,807.77
De Young Museum	2,701.89	15,929.66	3,627.40
California Palace of Legion of Honor	3,747.47	26,150.66	3,877.40
County Roads	36,989.93	128,585.13	332,973.97
Installation Department of Electricity .....	.....	2,232.57	.....
Firemen's Relief and Pension .....	.....	.....	172,387.88
Police Relief and Pension .....	.....	.....	103,235.58
Employees' Retirement .....	.....	.....	26,608.87
Publicity and Advertising	472.50	.....	9,414.90
Blind Pensions .....	.....	.....	.....
Needy Aged .....	.....	.....	.....
Tax Judgments .....	.....	.....	.....
Golden Gate Bridge & Highway District .....	.....	.....	10,450.94
Special Elections .....	.....	50,000.00	283.74
Assessor, Personal Property Taxes	1,762,133.45	.....	.....
Tax Collector, Special	1,946.42	.....	.....
Redemption of Property .....	.....	.....	.....
Undistributed Bank Interest .....	.....	.....	.....
Delinquent Revenue .....	.....	.....	.....
	\$8,798,157.05	\$691,154.44	\$655,227.28

CURRENT FUND BALANCE SHEET, JUNE 30, 1932 (Continued)

ALLOCATION (Continued)

	Encumbrances and Reserves	Unencumbered Balances of Appropriations	Unappropriated Balances of Funds
Public service enterprises:			
Municipal Railway	\$105,788.61	\$326,920.03	\$ 11,631.56
Water Revenue	132,481.80	29,001.89	501,157.31
Water Extension Reserve	30,037.85	168,999.51	.....
Water Depreciation Reserve .....	.....	140,000.00	.....
Hetch Hetchy Power Operative	50,776.61	209,387.40	4,892.89
Hetch Hetchy Power Depreciation .....	.....	269,549.76	.....
Auditorium .....	.....	168,296.87	.....
Airport	200.00	.....	.....
Public Utilities Commission	742.87	4,497.92	.....
	\$320,027.74	\$980,059.64	\$507,895.98
	\$9,118,184.79	\$1,671,214.08	\$1,163,123.26

CAPITAL FUND BALANCE SHEET, JUNE 30, 1932

RESOURCES

ALLOCATION

FUND	Rate of Interest*	Cash With Treasurer Net of Warrants	Imprest Fund Cash	Interfund Accounts	Bonds Authorized But Not Sold—Par Values	Total	Encumbrances	Un- umbered Balance of Appropriation	Unap- propriated Balance of Funds
General City and County:									
1923 School	5%	\$ 289.35	.....	.....	.....	\$ 289.35	\$ 160.00	\$ 129.35	.....
1927 Boulevards	4½	659,158.99	.....	.....	\$704,000	1,363,158.99	434,672.72	224,486.27	\$704,000.00
1927 Bernal Cut	4½	88,075.33	.....	.....	.....	88,075.33	1,345.97	86,729.36	.....
1927 Memorial Halls	4½	1,826,121.37	.....	\$7,806.28	.....	1,833,927.65	1,497,119.29	329,002.08	7,806.28
1929 Hospital	4½	354,374.71	.....	.....	1,120,000	1,474,374.71	323,006.40	65,967.31	1,085,401.00
1929 Sewers	4½	88,106.22	.....	.....	596,000	684,106.22	92,145.00	111,275.22	480,686.00
1931 Public Parks and Squares	4½	798.38	.....	.....	400,000	400,798.38	561.11	237.27	400,000.00
1931 Boulevards and Roads	4½	41,999.19	.....	.....	.....	41,999.19	37.50	41,961.69	.....
1931 County Jail	4½	60,000.00	.....	.....	790,000	850,000.00	.....	300,000.00	550,000.00
		\$3,118,923.54	.....	\$7,806.28	\$3,610,000	\$6,736,729.82	\$2,349,047.99	\$1,159,788.55	\$3,227,893.28

CAPITAL FUND BALANCE SHEET, JUNE 30, 1932 (Continued)

RESOURCES

ALLOCATION

FUND	Rate of Interest*	Cash With Treasurer Net of Warrants	Imprest Fund Cash	Interfund Accounts	Bonds Authorized But Not Sold— Per Values	Total	Encumbrances	Un- encumbered Balance of Appropriation	Unap- propriated Balance of Funds
Public service enterprises:									
Hetch Hetchy:									
1928	4½	\$2,414,148.77	\$140,000	\$ 1,084.97	\$424,000	\$2,977,063.80	\$1,186,425.27	\$1,790,638.53	.....
1932	5	1,152,000.00	.....	.....	.....	1,152,000.00	.....	.....	\$1,152,000.00
1932	5¾	2,909,579.21	.....	1,415,420.79	.....	4,325,000.00	.....	.....	4,325,000.00
1932	.....	.....	.....	.....	1,023,000	1,023,000.00	.....	.....	1,023,000.00
Land Purchase Fund,									
Water Department									
	....	16,570.00	.....	.....	.....	16,570.00	.....	.....	16,570.00
		\$6,492,297.98	\$140,000	\$1,414,335.82	\$1,447,000	\$ 9,493,633.80	\$1,186,425.27	\$1,790,638.53	\$6,516,570.00
		\$9,611,221.52	\$140,000	\$1,422,142.10	\$5,057,000	\$16,230,363.62	\$3,535,473.26	\$2,950,427.08	\$9,744,463.28

*Rate of interest on bonds from which funds were derived.

SPECIAL AND TRUST FUND BALANCE SHEET, JUNE 30, 1932

RESOURCES

	Cash With Treasurer Net of Warrants	Investment Securities	Taxes and Assessments	Revenues Accrued	Interest Accounts	Total	Encumbrances of Funds	Unappropriated Balances
Public trusts:								
Employees' Retirement Fund	\$48,513.35	\$11,327,686.95		\$145,996.29	\$1,084.97	\$11,523,281.56	\$ 684.91	\$11,522,596.65
War Memorial	195,454.80				1,121.81	196,576.61	23,930.23	172,646.38
Robinson Bequest, including interest	1,044.16	42,000.00		1,260.00		44,304.16		44,304.16
Windel Bequest, including in- terest	122.35	16,946.95		457.50		17,526.80		17,526.80
Olsen Bequest, including in- terest		978.75		22.50		1,001.25		1,001.25
Coit Bequest	82,256.30	36,000.00		249.17		118,505.47		118,505.47
Marx Bequest	2,025.00	4,925.00		75.00		7,025.00		7,025.00
Hertzeln Bequest	819.05	5,000.00		37.50		5,856.55		5,856.55
Sharp Bequest	1,648.81	26,230.39		474.16		28,353.36		28,353.36
Phelan Bequest, Playground.	50,720.30				315.99	51,036.29		51,036.29
Municipal Employees' Contri- butions to Unemployed	4,066.51					4,066.51		4,066.51
	\$386,070.63	\$11,459,768.04		\$148,572.12	\$2,522.77	\$11,997,533.56	\$24,615.14	\$11,972,918.42
Private trusts:								
Police Court Bail	\$ 6,864.00					\$ 6,864.00		\$ 6,864.00
Street Improvement	5,186.85					5,186.85		5,186.85
Special Permits	13,533.25					13,533.25		13,533.25
Tearing Up Streets	11,169.93					11,169.93		11,169.93
Excavation	13,873.85					13,873.85		13,873.85
Municipal Court Bail	29,358.00					29,358.00		29,358.00
Municipal Court Clerk's Spe- cial	3,705.80					3,705.80		3,705.80
County Clerk's Special	71,602.86					71,602.86		71,602.86
Duplicate Tax	19,780.71					19,780.71		19,780.71
Absent Heirs	8,985.82					8,985.82		8,985.82
Public Administrator	36,394.54					36,394.54		36,394.54
Twin Peaks Tunnel Refund	22,777.09					22,777.09		22,777.09
Miscellaneous	2,586.38					2,586.38		2,586.38
	\$245,819.08					\$245,819.08		\$245,819.08

SPECIAL AND TRUST FUND BALANCE SHEET, JUNE 30, 1932

(Continued)

RESOURCES

	<i>Cash With Treasurer Net of Warrants</i>	<i>Investment Securities</i>	<i>Taxes and Assessments</i>	<i>Revenues Accrued</i>	<i>Interfund Accounts</i>	<i>Total</i>	<i>Encumbrances</i>	<i>Unappropriated Balances of Funds</i>
Assessment and Redemption funds:								
Sunset Tunnel, including interest	\$48,444.31	.....	\$246,829.95	.....	.....	\$295,274.26	.....	\$295,274.26
Other properties	18,547.07	.....	8.74	.....	.....	18,555.81	.....	18,555.81
	<u>\$66,991.38</u>	.....	<u>\$246,838.69</u>	.....	.....	<u>\$313,830.07</u>	.....	<u>\$313,830.07</u>
Other special and trust funds:								
Islands Creek Reclamation District:								
General Fund	\$679,861.08	.....	.....	.....	.....	\$679,861.08	.....	\$679,861.08
Assessment	45,556.64	.....	.....	.....	.....	45,556.64	.....	45,556.64
Golden Gate Bridge & Highway District	1,048.74	.....	.....	.....	\$1,670.44	2,719.18	.....	2,719.18
State of California	1,695.48	.....	.....	.....	.....	1,695.48	.....	1,695.48
Inheritance Tax	83,317.99	.....	.....	.....	.....	83,317.99	.....	83,317.99
School Teachers:								
Permanent Funds	15,594.00	.....	.....	.....	.....	15,594.00	.....	15,594.00
Library	35.19	.....	.....	.....	.....	35.19	.....	35.19
Institute	102.07	.....	.....	.....	.....	102.07	.....	102.07
	<u>\$827,211.19</u>	.....	.....	.....	<u>\$1,670.44</u>	<u>\$828,881.63</u>	.....	<u>\$828,881.63</u>
	<u>\$1,526,692.28</u>	<u>\$11,459,768.04</u>	<u>\$246,838.69</u>	<u>\$148,572.12</u>	<u>\$4,193.21</u>	<u>\$13,386,064.34</u>	<u>\$24,615.14</u>	<u>\$13,361,449.20</u>

CURRENT FUND APPROPRIATIONS

For the fiscal year ended June 30, 1932

	<i>Appropriations</i>	<i>Expenditures</i>	<i>Encumbrances</i>	<i>Unencumbered Balances</i>
General Fund, 1931-32	\$17,678,098.00	\$17,198,317.47	\$ 434,177.24	\$ 45,603.29
General Fund, 1930-31	412,732.45	390,106.37	22,626.08	.....
Common School Fund	9,282,159.15	9,086,630.47	83,649.79	111,878.89
Bond Interest and Redemption Fund	17,407,504.83	11,092,739.76	6,169,371.00	145,394.07
Special School Tax Fund	1,509,579.99	1,242,898.99	128,003.82	138,677.18
Park Fund	1,288,132.36	1,212,658.04	75,474.32	.....
Library Fund	459,130.91	412,205.68	28,098.75	18,826.48
Recreation Fund	515,755.50	480,614.60	27,264.39	7,876.51
De Young Museum Fund	109,696.44	92,064.89	1,701.89	15,929.66
California Palace of Legion of Honor Fund	98,817.49	69,919.36	2,747.47	26,150.66
County Roads Fund	1,422,341.40	1,256,766.34	36,989.93	128,585.13
Auditorium Fund, 1930-31	168,296.87	.....	.....	168,296.87
Auditorium Fund, 1931-32	57,779.25	57,779.25	.....	.....
Airport Fund	184,068.12	184,068.12	.....	.....
Installation Department of Electricity Fund	4,472.21	2,239.64	.....	2,232.57
Municipal Railway Fund	3,547,047.42	3,118,338.78	101,788.61	326,920.03
Water Revenue Fund	7,056,881.58	6,961,425.78	66,453.91	29,001.89
Water Extension Reserve Fund	1,389,101.46	1,190,064.10	30,037.85	168,999.51
Water Depreciation Reserve Fund	140,000.00	.....	.....	140,000.00
Hetch Hetchy Power Operative Fund	2,022,849.63	1,804,561.71	8,900.52	209,387.40
Hetch Hetchy Power Depreciation Fund	739,118.57	469,568.81	.....	269,549.76
Firemen's Relief and Pension Fund	304,257.70	304,257.70	.....	.....

CURRENT FUND APPROPRIATIONS (Continued)

For the fiscal year ended June 30, 1932

	<i>Appropriations</i>	<i>Expenditures</i>	<i>Encumbrances</i>	<i>Unencumbered Balances</i>
Employees' Retirement Fund	\$ 324,027.45	\$ 324,027.45	.....	.....
Publicity and Advertising Fund	224,823.30	224,350.80	\$ 472.50	.....
Blind Pensions Fund	68,009.85	68,009.85	.....	.....
Needy Aged Fund	327,428.95	327,428.95	.....	.....
Tax Judgments Fund	262,043.87	262,043.87	.....	.....
Special Elections Fund	50,000.00	.....	.....	.....
Public Utilities Commission Fund	78,513.47	73,272.68	742.87	\$ 50,000.00
Police Relief and Pension Fund	250,000.00	250,000.00	.....	4,497.92
	\$67,046,074.48	\$58,156,359.46	\$ 7,218,500.94	\$ 1,671,214.08

CAPITAL FUND APPROPRIATIONS

For the fiscal year ended June 30, 1932.

	<i>Appropriation Numbers</i>	<i>Appropriations</i>	<i>Expenditures</i>	<i>Encumbrances</i>	<i>Unencumbered Balances</i>
1904 Library	3½%	\$ 51,100.00	\$ 51,100.00		
1923 School	.5	20,103.66	19,814.31	\$ 160.00	\$ 129.35
1927 Boulevards	4½	1,624,810.94	965,651.95	434,672.72	224,486.27
1927 Bernal Cut	4½	103,573.40	15,498.07	1,345.97	86,729.36
1927 Memorial Halls	4½	4,102,503.49	2,276,382.12	1,497,119.29	329,002.08
1928 Hetch Hetchy	4½	13,133,388.98	10,156,325.18	1,186,425.27	1,790,638.53
1929 Hospital	4½	1,717,075.58	1,328,101.87	323,006.40	65,967.31
1929 Sewers	4½	524,999.74	321,579.52	92,145.00	111,275.22
1931 Public Parks and Squares	4½	118,717.70	117,919.32	561.11	237.27
1931 Boulevards and Roads	4½	120,239.42	78,240.23	37.50	41,961.69
1931 County Jail	4½	300,000.00			300,000.00
1931 Playgrounds	4½	4,289.69	4,289.69		
		\$21,820,802.60	\$15,334,902.26	\$ 3,535,473.26	\$ 2,950,427.08

Supplementary Report Upon Examination of Accounts of Controller's Department City and County of San Francisco

For the fiscal year ended June 30, 1932

April 3, 1933.

To the Honorable Board of Supervisors,
City and County of San Francisco,
San Francisco, California.

Dear Sirs:

Under date of March 29, 1933, we submitted a certified report upon our examination of the accounts of the Controller's department of the City and County of San Francisco as at June 30, 1932.

Supplementary thereto we present in the following paragraphs our comments regarding the more important items appearing in the schedules which accompanied that report and such other matters relating to our examination as we believe will be of interest to you.

Scope of Examination: The accounts of the public service enterprises were examined as at June 30, 1932, by other independent auditors, while those of the Treasurer's department were verified as of that date by the Controller's audit staff in accordance with section 66 of the new Charter.

Our work in connection with these units was restricted to a review of the reports and supporting working papers and a reconciliation of the findings presented therein with the related accounts on the books of the Controller.

With respect to the accounts other than the foregoing, we have verified the assets and liabilities as at June 30, 1932, except that in the case of the property accounts we have accepted the recorded values at June 30, 1931, without verification.

Further, in accordance with the terms of our engagement, we made a general review and test check of the recorded revenues and expenditures and the allocation thereof to funds.

In addition, we reviewed the procedure in effect in various other divisions of the Controller's department such as the payroll, tax redemption, inheritance tax, bail bonds, and social service divisions, and satisfied ourselves as to the adequacy of the internal check with respect to those functions.

The office of Controller was created by the new Charter, effective January 8, 1932, with greatly amplified responsibilities and directional functions, as compared with the former office of auditor. Considering the many problems of reorganization with which he has necessarily been confronted, and the comparatively short time since his appointment, the Controller, in our opinion, has made commendable progress in carrying out the provisions and intent of the new Charter. A comprehensive revision of the chart of accounts and accounting procedure is now in progress.

Necessary adjustments, as indicated in the Controller's report submitted under date of November 14, 1932, are being recorded on the Controller's books.

Revenues, Expenditures, and Current Proprietary Surplus: Following is a condensed summary for the year ended June 30, 1932, details of which will be found in the schedules accompanying our certified report. This summary has been prepared in accordance with the provisions of section 80 of the new Charter:

Current proprietary surplus, June 30, 1931,
as per annual report of the Auditor.....

\$498,635.28

Revenues:

Taxes and licenses.....	\$34,192,210.70	
State subventions	3,590,793.21	
Departmental revenues	1,251,999.37	
Public service enterprises.....	15,390,940.21	
Interest, rents, fines, etc.....	359,867.49	
Total revenues	\$54,785,810.98	
Other additions to surplus.....	6,022,887.86	
		<u>60,808,698.84</u>
		<u>\$61,307,334.12</u>

Expenditures:

Operating expenses:

General City and County.....	\$33,068,175.75	
Public service enterprises.....	12,271,566.47	
	<u>\$45,339,742.22</u>	
Bond maturities, including those of		
July 1, 1932.....	4,426,100.00	
Additions to property from revenues...	3,919,415.19	
Interest on Hetch Hetchy construction		
bonds	2,118,204.16	
Total expenditures	\$55,803,461.57	
Other deductions from surplus.....	1,579,915.80	
		<u>57,383,377.37</u>
Current proprietary surplus, June		
30, 1932		<u>\$3,923,956.75</u>

Of the foregoing surplus of \$3,923,956.75 as at June 30, 1932, there had been appropriated \$2,677,677.96, leaving an unappropriated balance of \$1,246,278.79, as shown in the following summary:

Appropriated surplus:

Encumbrances	\$ 1,049,129.94	
Less, proprietary accounts payable in-		
cluded therein	178,270.04	
		<u>\$ 870,859.90</u>
Unencumbered balances of appropriations.....	1,671,214.08	
Reserve for cash other than Treasurer's cash.....	135,603.98	
Total appropriated surplus.....	\$2,677,677.96	
Available current proprietary surplus, as shown on pre-		
ceding page	3,923,956.75	
Unappropriated current proprietary surplus as at		
June 30, 1932.....	\$1,246,278.79	

PROPRIETARY BALANCE SHEET COMMENTS.

The following paragraphs relate to various items appearing on the proprietary balance sheet which accompanied our certified report and further indicate the scope of our examination:

Cash: We reviewed the report and working papers covering the examination which the Controller's audit staff made of the Treasurer's department as at June 30, 1932, and satisfied ourselves that the work had been performed in a proper manner. The report indicates that the Treasurer has substantially complied with the legal requirements that, in placing funds with depositaries, he obtain in each case col-

lateral security having a market value of not less than ten per cent in excess of the amount of the deposits, and that interest be regularly collected at the rate of two per cent or more on the average daily balances on deposit.

Revolving funds in the custody of the various departments were confirmed by correspondence.

Accounts Receivable: A summary of the taxes and assessments receivable follows:

Delinquent taxes:

For the fiscal years:

1931-32	\$ 718,830.52	
1930-31	237,659.76	
1929-30	105,666.31	
1928-29	47,709.09	
1927-28	21,373.19	
Prior	17,500.42	
	<u>\$ 1,148,739.29</u>	
Penalties, costs, and interest.....	204,576.55	
	<u>\$ 1,353,315.84</u>	
Less, allowance for losses.....	100,000.00	\$1,253,315.84

Assessments:

Sunset Tunnel	\$ 246,829.95	
Twin Peaks Tunnel.....	8.74	246,838.69
	<u>\$ 1,500,154.53</u>	

The taxes and assessments were verified by reference to the supporting records. Included therein are unsecured personal property taxes, as follows:

Fiscal year 1930-31.....	\$41,241.23
Fiscal year 1931-32.....	36,472.97
	<u>\$77,714.20</u>

Revenues accrued consist of the following general City and County items:

State subventions:

County roads	\$438,916.17	
Orphans and half-orphans.....	74,919.29	
Widows' pensions	50,087.67	
Tubercular patients	32,129.91	
Needy blind	16,961.75	
Needy aged	85,608.34	
Fire boats	41,286.56	\$739,909.69

Franchise revenues:

Pacific Telephone and Telegraph Co....	\$195,475.67	
Market Street Railway.....	70,933.30	266,408.97

Interest accrued:

On investment securities.....	\$148,572.12	
On bank deposits.....	1,830.18	150,402.30

Other revenues accrued.....		2,000.00
		<u>\$1,158,720.96</u>

The amounts receivable for State subventions are in agreement with copies of claims on file against the State and/or subsequent collections.

Franchise revenues were verified by reference to the supporting data on file and by correspondence with the franchise holders.

As pointed out by the Controller in his letter of January 6, 1933, addressed to the City Attorney, the franchise of the California Street Cable Railroad Company, which operates the California Street and Hyde street lines, expired February 17, 1929. The last payment received from this company covered franchise taxes for the calendar year 1928. The city has been negotiating for the purchase of the property and meanwhile the company has paid no franchise taxes.

Interest accrued on investment securities consisted principally of interest on bonds belonging to the Employees' Retirement Fund.

Other accounts receivable are herewith summarized:

General City and County:

Due from municipal employees' contributions to Unemployed Fund.....	\$34,112.31
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Public Service Enterprises:

Water Department:

Consumers and agents.....	\$493,150.46	
Sundry debtors	8,858.62	
		\$502,009.08

Hetch Hetchy Power:

Pacific Gas and Electric Company, agents	\$188,672.89	
Sundry debtors	1,434.22	
		\$190,107.11

Municipal Railway, sundry debtors.....	9,086.29
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Hetch Hetchy construction, sundry debtors	4,955.50
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<u>\$740,270.29</u>

The balance due from the municipal employees' contributions to Unemployed Fund represents advances by the City and County for relief of unemployed, the major portion of which has since been collected.

Investment Bonds: A summary follows:

	Par Values	Book Values
Employees' Retirement Fund:		
Government and municipal:		
San Francisco	\$2,525,400.00	\$2,582,989.05
Sacramento	416,000.00	459,148.32
Stockton	194,000.00	212,007.67
California	577,000.00	595,770.77
United States	424,000.00	419,886.87
Other	3,251,687.50	3,468,520.80
	<u>\$7,388,087.50</u>	<u>\$7,738,323.48</u>
Public Utilities	2,730,500.00	2,782,130.63
Railroads	819,100.00	807,232.84
	<u>\$10,937,687.50</u>	<u>\$11,327,686.95</u>
Total Employees' Retirement Fund.	\$10,937,687.50	\$11,327,686.95
Bequest Funds	130,000.00	132,081.09
	<u>\$11,067,687.50</u>	<u>\$11,459,768.04</u>

These bonds are kept in the joint custody of the Controller and the Treasurer. The aggregate of the par values was verified by the Controller's audit staff and we were informed that the maturities of the various issues would be verified at the next audit of the accounts of the Retirement System Board.

Since the foregoing bonds were purchased for investment purposes only, we have not attempted to determine their market values. None of the bonds were in default as to interest or principal at June 30, 1932.

Properties: A summary of the property accounts will be found on page 14 of our certified report.

We examined vouchers supporting a substantial amount of the recorded additions to the general City and County properties during the year and found that these additions represented proper capital charges.

Following the accepted practice in municipal accounting, no allowance has been made for depreciation of general City and County buildings and equipment. However, depreciation has been provided for on the properties of the public service enterprises.

We inquired regarding insurance on the properties and found that the Controller is now making a general survey of all departments with the intention of recommending a centralized insurance department. We therefore did not review the insurance coverage.

Deferred Charges: A summary of the materials and supplies follows:

General City and County:

Schools	\$100,720.34
Fire Department	94,447.88
Recreation Department	9,725.00
Central warehouse	5,468.05

\$210,361.27

Public Service Enterprises:

Water Department	\$242,871.91
Municipal Railway	171,436.98
Hetch Hetchy Power.....	53,972.51

468,281.40

\$678,642.67

The last physical inventory of school supplies was taken March 15, 1932, and the books were adjusted thereto.

The Fire Department last took a physical inventory on June 30, 1931, at which time the books were brought into agreement therewith. So far as we were able to determine, no recent physical inventory has been taken by the Recreation Department. The Central Warehouse supplies were inventoried as at April 30, 1932, and the values so determined were set up on the books, which previously thereto had contained no inventory account for these supplies. No inventory of the Central Warehouse supplies was taken as at June 30, 1932.

From a review of the controlling accounts covering the general City and County materials and supplies, it appeared to us that the receipts and issues had been properly recorded. As a check on the accuracy of the accounting, we recommend that physical inventories of all departments be taken periodically, or at least at the close of each fiscal year, and the books brought into agreement therewith. The Controller notified the Purchaser of Supplies that inventories for all departments were to be taken as at June 30, 1932.

The amounts of \$665,937.63, \$371,971.26 and \$398,392.44, shown on the balance sheet which accompanied our certified report, as deferred charges for Police Relief and Pension Fund Contributions, Tax Judg-

ments, and Voting Machines, respectively, are offset by liabilities of equal amounts and will be charged to expense as the liabilities are paid.

Other deferred charges include the following:

General City and County:

Interdepartmental:

Service transfers	\$178,801.65
Undistributed expenses	26,748.23

\$205,549.88

Miscellaneous	7,148.81
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\$212,698.69

Public Service Enterprises:

Water Department:

Prepayment to East Bay Municipal Water District	\$146,250.00
Property abandoned	55,779.90
Miscellaneous	9,178.15

211,208.05

Hetch Hetchy Power:

Railroad Commission valuation	\$220,883.88
Miscellaneous	18,109.85

238,993.73

Municipal Railway:

Prepaid rent	\$5,169.56
Accident reserve	9,678.71

14,848.27

\$677,748.74

The general City and County deferred charges were verified by reference to the Controller's records and supporting data.

Our examination of the interdepartmental service transfers developed that this item included completed jobs, practically all of an expense nature, amounting to some \$145,000. Of that amount, approximately \$70,000 had been taken up as at June 30, 1932, by the departments receiving the services, and warrants issued therefor, which were outstanding at that date. For the purposes of our report, we gave effect to a similar disposition of the balance of the completed jobs by setting up a reserve of \$75,000.00 on the balance sheet with a corresponding charge to miscellaneous expenditures for the year.

Accounts Payable: We verified the outstanding warrants by reference to the warrant registers, which we found to be in agreement with the controlling account in the general ledger.

The accrued bond interest payable as at June 30, 1932, was verified by a review of the accruals and of the payments made for redemption of coupons maturing during the year ended that date.

A summary of the other accounts payable follows:

General City and County:

Due Golden Gate Bridge and Highway District	\$23,436.51
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Public Service Enterprises:

Hetch Hetchy Water:

Estimated contract progress.....	\$466,476.22
Contract payments retained.....	159,508.41
Purchase orders outstanding.....	130,322.46
Other accounts payable.....	292,780.97

1,049,088.06

Water Department:

Consumers' deposits	\$22,896.06
Consumers' advances for construction..	22,628.18
Other accounts payable.....	54,610.25

100,134.49

Municipal Railway, sundry creditors....

96,744.25

Hetch Hetchy Power, sundry creditors..

26,915.54

\$1,296,318.85

We verified the balance due Golden Gate Bridge and Highway District by correspondence with the auditor of that district.

Bonded Indebtedness: A schedule of bonded indebtedness will be found on page 12 of our certified report.

We reviewed the issues and retirements recorded on the Controller's books for the fiscal year ended June 30, 1932, and reconciled them with the records of the Treasurer's department. We satisfied ourselves that these transactions had been authorized by the Board of Supervisors and that they had been approved by proper legal authority.

Bonds redeemed and cancelled during the year were on hand and were inspected by us and compared with the records.

The bonded debt is segregated on the balance sheet which accompanied our certified report, as follows:

Current accounts:

Bonds matured, including maturities of July 1, 1932..\$ 3,185,000.00

Capital accounts:

Bonds maturing subsequent to July 1, 1932..... 158,721,200.00

\$161,906,200.00

It has been the practice, heretofore, to provide for bond redemptions by setting up a monthly reserve out of current surplus, commencing one year in advance of the maturity dates of the bonds. However, no corresponding reduction of the liability carried in the capital section was recorded until the redemptions were made. Moreover, the accrual method referred to above did not conform to the basis on which redemptions are provided for in the annual budget.

In order to correct the duplication of the liability and to conform to the redemption basis used in the Budget, we restated the bonded indebtedness on the balance sheet as summarized above. The resulting increases in the surplus accounts were as follows:

Current surplus, for correction of provision to maturity

basis used in Budget.....\$ 733,499.81

Capital surplus, for duplication of liability..... 3,185,000.00

Total increase in surplus.....\$3,918,499.81

Sections 103 and 104 of the City and County Charter provide that the bonded debt outstanding, exclusive of:

- (a) Debt incurred for the purpose of financing public improvements, the cost of which is to be assessed against private property benefited thereby;
- (b) Debt incurred for water supply, storage or distribution purposes;
- (c) Debt heretofore incurred in aid of the Panama-Pacific International Exposition;

shall not exceed 12 per cent of the assessed value of all real and personal property in the City and County subject to taxation for City and County purposes.

The tax roll of March, 1932, shows the following assessed values of property subject to taxation for City and County purposes:

Real property:

Land	\$ 341,570,705
Improvements	353,513,845

\$695,084,550

Tangible personal property:

Secured	\$26,167,793
Unsecured	69,041,268

95,209,061

Intangible personal property:

Solvent credits	\$116,531,852
Securities	142,695,341

259,227,193

\$1,049,520,804

The bonded debt subject to the 12 per cent Charter limit is determined as follows:

Bonded debt, June 30, 1932..... \$161,906,200

Deduct, bonded debt to which the 12 per cent limit does not apply:

Hetch Hetchy bonds	\$71,303,000
Spring Valley bonds	39,000,000
Exposition bonds	1,406,000

111,709,000

Bonded debt subject to the 12 per cent limit

\$50,197,200

From the foregoing it will be seen that the bonded debt subject to the Charter limit represents approximately 4¾ per cent of the assessed value of real and personal property subject to taxation for City and County purposes, as compared with the Charter limit of 12 per cent.

Bonds authorized but not issued at June 30, 1932, amounted to \$5,057,000, as shown in the following summary:

<i>General City and County</i>	<i>Authorized</i>	<i>Issued</i>	<i>Unissued</i>
Boulevard 11/1/27	\$9,380,000	\$8,676,000	\$ 704,000
Sewer 1/1/29	2,200,000	1,604,000	596,000
Hospital 1/1/29	3,500,000	2,380,000	1,120,000
County Jail 1/1/31	850,000	60,000	790,000
Public parks & squares 2/1/31	1,400,000	1,000,000	400,000
			<u>\$3,610,000</u>

Public Service Enterprises:

Hetch Hetchy	7/1/28	24,000,000	23,576,000	424,000
Hetch Hetchy	6/1/32	6,500,000	5,477,000	1,023,000
				<u>\$1,447,000</u>
				<u>\$5,057,000</u>

These unsold bonds were in the custody of the Treasurer and were verified by the Controller's audit staff.

Liability for Special Trust and Funds: We reviewed the terms of the various trusts and analyzed the accounts for the year, which appeared to be in order.

Under the provisions of the new Charter, which became effective January 8, 1932, members of the Police Department as at that date were given the privilege of becoming members of the Employees' Retirement System, which took over the functions previously exercised by the City and County in respect of pensions. In addition to other obligations assumed by the City and County in connection with the establishment of the Employees' Retirement System, the Charter provides that the City and County shall pay over to the retirement system a sum equal to the contributions, with interest, made to any other pension funds by members of the Police Department who become members of the Retirement System. The amount of such accumulated contributions, with interest, as at June 30, 1932, was \$665,937.63, which has not been paid and for which no liability has been provided on the Controller's books. On the balance sheet which accompanied our certified report, we increased the liability to the Employees' Retirement Fund to include this amount and set up a deferred charge of an equal amount.

The Firemen's Relief and Pension and Police Relief and Pension funds showed deficits of \$172,387.88 and \$103,235.58, respectively, as at June 30, 1932.

The cash and securities belonging to the special and trust funds were in the custody of the Treasurer and were verified by the audit staff of the Controller.

Other Liabilities: A summary of the other liabilities follows:

Voting machines purchase contract:

Principal	\$384,054.41
Accrued interest	14,338.03

\$398,392.44

Judgments against the City and County for taxes illegally

assessed	371,971.26
----------------	------------

\$770,363.70

The first item represents a balance due the Automatic Voting Machine Corporation of Jamestown, New York, on purchases of voting machines, and was confirmed by correspondence with the vendor.

The liability for tax judgments was verified by reference to the records of the City Attorney and represents principal only. These judgments bear interest at the rate of 7 per cent per annum, which is charged to expense as paid.

Reserves: A summary follows:

General City and County:

Work in progress	\$295,529.92
Interdepartmental service	75,000.00
Donations received for specific purposes	46,555.94

\$417,085.86

Public Service Enterprises:**Depreciation and amortization:**

Municipal Railway	\$4,970,387.56
Hetch Hetchy Power	941,583.18
Water Department	140,000.00

6,051,970.74

\$6,469,056.60

The reserve for work in progress covers the cost of uncompleted jobs carried in the current accounts ledger. As these are completed the final costs will be transferred to the property accounts in the capital ledger.

The reserve for interdepartmental service has been commented upon previously in this report.

The reserve for donations covers cash received for specific purposes. This was later transferred to the special and trust fund accounts ledger.

Deferred Credits: A summary follows:**General City and County:**

Taxes collected in advance	\$1,764,079.87
Sundry items	4,454.65

\$1,768,534.52
Public Service Enterprises:**Water Department:**

Rents collected in advance, insurance reserves, etc.	\$73,744.06
Hetch Hetchy Power	3,236.46

\$76,980.52

\$1,845,515.04

The taxes collected in advance were verified by reference to the records of the Treasurer and the Assessor and will be taken up in the revenues for the fiscal year ending June 30, 1933, to which they apply.

Official Bonds: The new Charter provides that surety bonds shall be furnished as follows:

Mayor	\$ 25,000
Treasurer	200,000
Controller	100,000
Tax Collector	100,000
Assessor	50,000
Sheriff	50,000
County Clerk	50,000
Public Administrator	50,000
City Attorney	10,000
District Attorney	10,000
Public Defender	10,000
Supervisors (each)	5,000

We inspected all of these bonds and confirmed them by correspondence with the surety companies.

In addition to the foregoing, all employees who handle cash or securities, and various others holding positions of responsibility or trust have furnished bonds ranging from \$1,000 to \$50,000, depending

upon their responsibilities. These bonds were also inspected and confirmed by us.

In closing, we wish to express our appreciation to the Controller and his staff for their cooperation and the many courtesies extended to us during the course of our examination.

Very truly yours,

LYBRAND, ROSS BROS. & MONTGOMERY.

